Contract Improvement Process
Steering Committee Meeting
Agenda

Agenda

1. Update on Working Committee
2. Risk Assessment
3. Delegation
4. Higher Education
5. Contract Tools
6. Contracts Database
7. Contracts Monitoring
8. Subcommittees
9. Next Steps

Update on Working Committee

- Members include:
  - Harry McCabe   DHS
  - Michelle Lee   DHS
  - Clark Bolser   DPA/REP
  - Tom Morgan   CLDE
  - Kevin Cruise   DPA/SCO
  - Richard Brough   DNR
  - Tara Larwick   DNR
  - Maggie Van Cleef   DNR
  - Rod Wolthoff   DPA
  - Peter Van Ronk   DPA/SP
  - Judy Giovanni   DPA/SP
  - Jim Coghlan   HCPF
  - Steve Fincher   CU
  - Ken Witt   CU
  - Yvonne Anderson   DPA/SCO
  - Kathy Heese   DOR
  - Bob Jaros   DPA/SCO

- Met for the past three days for 2 hours each day

- Established over the group's overall goals:
  - Improve the efficiency of the contract process
  - Improve the quality of contracts
  - Improve the timeliness of contract reviews

- Identified various problems with the present contract process
  - Current contract process does not explicitly address risk; dollar threshold for AG review
  - Central approvers review contracts at end of process after contract negotiated
  - Time involved in getting contract approved, particularly at AG's Office
  - Lack of model contracts ; need for more form/model contracts
  - Waived contract review is overly structured; needs to be more timely
  - Training needed

- Discussed various topics related to the contract process, including:
  - Risk Assessment
  - Legal Review
  - Delegation
  - Contract tools
  - Vendor considerations
  - Monitoring of contracts
  - Contracts Database

- Developed Risk Assessment Approach

Risk Assessment

- Attached pages
- Present – Over $50,000 requires AG review; no formal risk assessment required

Delegation

- Provide opportunity for agencies to be delegated the processing of low risk contracts if the agency employees are certified
- Certification process will require training and follow up
- Different delegations for different agencies
- Changing role for SCO from primarily a processor to a reviewer/trainer/monitor
- Peer review model used by State Purchasing could be used for monitoring
- Risks of delegation
- Transition period

Higher Education

- Fully delegated today
- Different governance structure than agencies; Board of Trustees, General Counsel
- Alternatives for future with new contract process
- Communication at Higher Ed meeting

Contract Tools

- Model contract – statewide wizard, agency specific clauses; contract specific clauses
- Assistance from AG's Office
- Flexibility in waived contracts

Contracts Database

- Statewide contracts database to be used by agencies as a management tool
- Various agencies have developed their own databases, such as CDHS, CDLE
- CU representative indicated CU probably would not want to be part of statewide database
- Lease harbor database useful tool for leases
- DPA contract management system

Contracts Monitoring

- Done by program staff; little state structure
- Source of problem contracts
- Internal control risk

Subcommittees

- Contract Process – Risk Assessment, Delegation
- Training, Certification
- Model contracts
- Fiscal Rules and Policies
- Other issues, not yet discussed with working committee, such as certificates of insurance

Next Steps

- Need to evaluate what we can accomplish by January 1
- All "pieces" must be in place
- Potential pilot agencies